

Message Text

UNCLASSIFIED

PAGE 01 LISBON 05689 311128Z

54

ACTION FBO-06

INFO OCT-01 EUR-12 ISO-00 A-01 /020 W

----- 024946

R 311024Z DEC 74

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 1341

UNCLAS LISBON 5689

E.O. 11652: N/A

TAGS: ABLD, AFSP, PFOR

SUBJ: NEW LISBON CHANCERY

REF: A. RATTRAY-GARON TELECON OF DEC 26, B. LISBON

5517, C. LISBON 5528, D. LISBON 5550

1. AS STATED REFTELS, LONG-TERM LEASE POSSIBILITIES WITH
OPTION TO PURCHASE IN TWO OR THREE YEARS NOT VERY
ATTRACTIVE TO OWNERS OF BUILDINGS.

2. EMBASSY HAS VISITED ONE ADDITIONAL BUILDING
(BUILDING G) AND WILL FORWARD PLANS AND PRICE TO FBO
ASAP. OWNER PREFERS TO SELL AND UNWILLING TO ENTER INTO
LONG-TERM LEASE WITH OPTION TO BUY.

3. OWNER OF BUILDING B (SEE REF B) INFORMED US THAT
RENTAL OF BUILDING POSSIBLE ALTHOUGH HE WOULD HAVE TO
CONSULT WITH PARTNERS ABOUT LENGTH AND CONDITIONS OF
LEASING TERMS; DID NOT APPEAR ENTHUSIASTIC ABOUT
LONG-TERM LEASE PROSPECTS. IN ANY EVENT, HE STATED
THAT RENTAL COST ARE DOLS 8 TO DOLS 10 PER MONTH PER
SQUARE METER. BUILDING B IS 4,000 GROSS SQUARE METERS
AND THEREFORE MARGINAL TO OUR SPACE NEEDS. RENTAL COSTS
OF BUILDING WOULD NEVERTHELESS BE BETWEEN 450-500 THOUSAND DOLLARS
PER YEAR.

4. BUILDING C OWNED BY IMPERIO INSURANCE COMPANY (CUF
GROUP). BECAUSE OF TAX PROBLEMS, THEY ALSO UNWILLING TO
ENTER INTO RENTAL AGREEMENT: THEY HAVE SHOWN MILD
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LISBON 05689 311128Z

INTEREST IN ACQUIRING OUR PRESENT CHANCERY AND POSSIBLY

MAAG SITE; SO EMBASSY ATTEMPTING TO FIND OUT IF THEY WOULD ACCEPT BOTH PROPERTIES AS PART OF PURCHASE AND/OR RENTAL PRICE.

5. BUILDING F (GRAO PARA BUILDING) OWNERS HAVE STATED FOLLOWING CONDITIONS FOR RENTAL:

A. TEN-YEAR LEASE WITH OPTION TO PURCHASE SIX MONTHS FROM DATE OF CONTRACT.

B. MONTHLY RENT: 1 MILLION 100 THOUSAND ESCUDOS (APPROXIMATELY DOLS 45 THOUSAND)

C. PURCHASE PRICE: 150 MILLION ESCUDOS (APPROXIMATELY DOLS 6 MILLION) WITH 6 MONTHS RENT TO BE DEDUCTED FROM PURCHASE PRICE.

ABOVE TERMS MAY BE SUBJECT TO NEGOTIATING, BUT DESPERATE FINANCIAL SITUATION OF OWNERS AND THEIR IMMEDIATE NEED FOR CASH MAKE IT UNLIKELY THAT THEY WILLING TO WAIT BEYOND END OF JANUARY BEFORE RENTING BUILDING TO INTERESTED COMPANIES (RANK XEROX AND SOREFAME AMONG OTHERS).

6. EMBASSY TALKED WITH BUILDERS OF BUILDINGS C AND G ABOUT COSTS OF CONSTRUCTION LISBON: THEY STATED THAT CONSTRUCTION COSTS PER SQUARE METER BEFORE APRIL REVOLUTION WERE APPROXIMATELY 3 TO 4 THOUSAND ESCUDOS PRESENTLY; CONSTRUCTION COSTS PER SQUARE METER ARE AROUND 6 THOUSAND ESCUDOS AND THEY PREDICATED THAT BEFORE END OF 1975 COSTS PER SQUARE METER WILL GO UP TO 8 OR 9 THOUSAND;

COMMENTS:

DEPT SHOULD REALIZE THAT MINIMUM RENTAL COSTS OF ADEQUATE OFFICE BUILDING IN LISBON WILL BE CLOSE TO DOLS. 500 THOUAND PER YEAR. SOME APARTMENT BUILDINGS GOING UP ON OUTSKIRTS OF LISBON AND ARE PROBABLY LESS EXPENSIVE THAN BUILDINGS A THROUGH F BUT CONVERSION COSTS WILL BE EXTREMELY HIGH AND WE WOULD PROBABLY END UP IN LESS THAN DESIRABLE LOCATION WITH USUAL PROBLEMS ASSOCIATED WITH CONVERTED BUILDINGS:

SCOTT

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 31 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LISBON05689
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750001-0422
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974122/aaaaablu.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION FBO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 RATTRAY-GARON, 75 TELECON OF DEC 26
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 12 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Aug-2002 by ReddocGW>; APPROVED <26 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW LISBON CHANCERY
TAGS: ABLD, AFSP, PFOR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005